Annual Accountability Report

For the Fiscal Year 2013-14

Nova Scotia Department of Natural Resources

NOVA SCOTIA

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Report DNR 2014-03
July 2014

Accountability Statement

The accountability report of the Department of Natural Resources, for the year ended March 31, 2014, is prepared pursuant to the *Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the Department of Natural Resources' Statement of Mandate for the fiscal year 2013-2014. The reporting of Department of Natural Resources' outcomes necessarily includes estimates, judgments and opinions by department management and staff.

We acknowledge that this accountability report is the responsibility of Department of Natural Resources management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the Department of Natural Resources' 2013-2014 Statement of Mandate.

The Honourable Zach Churchill	Mr. Frank Dunn
Minister of Natural Resources	Deputy Minister of Natural Resources

Message from the Minister:

I am. honoured to present my first accountability report as Minister of Natural Resources.

Since taking office last October, the department successfully addressed several key topics including, but not limited to, promoting innovation in our forest and minerals sectors, taking steps to keep our wildlife and forest harvests sustainable, and repealing outdated legislation.

Between October and March, we purchased new Crown land including Bella Island near Mahone Bay, land on McNabs Island in Halifax Harbour, woodlands in eastern Nova Scotia and land in Annapolis and Antigonish counties, to name but a few. Such purchases are important in a province that has the second lowest amount of Crown land in Canada.

We are helping our forest sector remain competitive in world markets by partnering with FP Innovations to develop new products, processes and markets for our forest products.

Early in 2014, we helped landowners and their organizations to develop a new and better way to do private woodland management. That service delivery model, and its associated robust business plan, will help to re-engage private woodlands in meeting the fibre needs of our mills and other businesses across Nova Scotia. Based on the outcomes of this first effort, we could see similar initiatives across the province in the near future.

On the mining side, we are working to improve NovaROC, our online mining claims registry, and we continue to anticipate growth and new opportunities in our mines sector. Prospectors and mining firms are exploring for gold and other precious metals, and rare earth elements needed in the technology sector.

The close of the 2013-14 fiscal year saw us reviewing what Nova Scotians told us about how best to use the Western Crown Lands. You said these lands could be used simultaneously and collaboratively for conservation, recreation and economic benefit, and we are incorporating those ideals in a Western Crown Lands plan.

I encourage you to visit the department's web site at novascotia.ca/natr/ for more information on the departments many programs and services.

The Honourable Zach Churchill
Minister

Financial Results

Table: 2013-14 Estimate, Actual and FTEs

Department of Natural Resources Budget Context			
	2013-14		
	Estimate	Actual	Variance
Program and Service Area	**($ thousands)**	**($ thousands)**	**($ thousands)**
Gross Departmental Expenses:			
Senior Management	505	481	(24)
Corporate Services Unit	4,286	4,027	(259)
Renewable Resources	18,678	19,475	797
Mineral Resources	4,479	4,582	103
Regional Services	48,429	47,347	(1,082)
Policy, Planning and Support Services	4,685	4,901	216
Land Services	4,010	4,018	8
Total: Gross Departmental Expenses	**85,072**	**84,831**	**(241)**
Additional Information:			
Ordinary Revenue	15,814	13,208	(2,606)
Fees and Other Charges	2,126	2,050	(76)
Ordinary Recoveries	130	3,015	2,885
Total: Revenues, Fees and Recoveries	18,070	18,273	203
TCA Purchase Requirements	6,900	9,288	2,388
Provincial Funded Staff (FTEs)	**776.9**	**763.2**	**(13.7)**

Explanation of Variance:

1. Gross Departmental Expenses were $241,000 lower than estimated, primarily due to Regional Services costs charged to other departments ($1.1 million), offset by Renewable Resources expenses ($797,000) for southwestern Nova Scotia parks, and externally recovered fire suppression costs.
2. Ordinary Revenue was $2.6 million below estimate, resulting from lower than anticipated timber license (stumpage) revenue from western Nova Scotia Crown lands.
3. Ordinary Recoveries included a recovery of $2.1 million for prior year costs related to maintaining the former NewPage Mill (Port Hawkesbury) in a re-sale ready state.
4. TCA Purchase requirements were $2.4 million higher than estimated, resulting from land purchased for NS Environment (2013-14 budget of $3.3 million) and Aboriginal Affairs (2013-14 land budget of $1 million).
5. Provincial Funded Staff (FTEs) were less than budgeted due to temporarily vacant positions.

Measuring Our Performance

The following measures are under review. We will continue to revise and improve them in future reports.

OUTCOME Sustainable Natural Resources

Measure: Forest Sector Transition measure

What does the measure tell us? Nova Scotia's forest sector has undergone significant restructuring over the past decade. A healthy primary forest industry and the by-products it provides is a precondition of a renewed forest industry. Innovation and advanced wood products in the value-added forest sector means that after a tree has been cut, additional processing by people, tools, or machines increases the market value of the raw log, and supports the economy and job growth. The 2013-14 Statement of Mandate noted that a measure on transition in the forestry sector would be developed and reported on in 2014-15. A measure has been developed and is included in DNR's 2014-15 Statement of Mandate, and will be reported on in next year's Accountability Report.

Measure: Percentage of forested land harvested using clearcut harvest method

What does the measure tell us? This measure is an indicator of the number of harvests where clearcutting is the harvest method used. Over time, it is anticipated the amount of clearcut harvest will be decreased as a result of increased use of an ecosystem based approach to forest management. Less clearcutting means better management of the forests of Nova Scotia and greater use of non-clearcut methods to regenerate forest sites. We are committed to a balanced approach to our forests that will meet conservation goals and protect the thousands of workers and their families who rely on the forest industry for their livelihoods.

Where are we now? 2012 reference year data (latest available) shows a reduction in that 82% of harvests used the clearcut method. Some of this reduction has been the result of the department's increased understanding and promotion of ecosystem-based forest management through Forest Ecosystem Classification (FEC) training and outreach. Some of the reduction can also be attributable to a downturn in the forest industry itself.

Where do we want to be? The Natural Resources Strategy determined a target of no more than 50% of all harvests be done by the clearcut harvest method by end 2016. The solution lies in a steady reduction of the clearcut method over the first five years of Strategy implementation.

Measure: ***Provincial camping park occupancy rate (core season)***

What does the measure tell us? The measure indicates the amount of use in provincial camping parks. Occupancy is the percent of available campsites used during a particular time frame. In this case the peak periods are the months of July and August. The period selected is the optimal to capture the type of experiences residents and visitors are seeking as well as the general trend over time in the sector. The measure is used to inform future planning for the development of new park opportunities and the investment into older facilities. The measure is also an indication in the general trend for outdoor recreational use, specifically camping.

Where are we now? For 2013 the occupancy rate for July and August was 50.5%, up from 43.7% in 2012. This is reflective of the introduction of camping improvements at several campgrounds, such as Mira River and Graves Island that were not available in the previous year. As well, it reflects better weather conditions in 2013 when less camping days were lost to rain, especially on weekends. The release of Nova Scotia's Parks and Protected Areas Plan in August 2013 will assist in delivering an integrated and sustainable parks and protected areas program in Nova Scotia, a commitment made in the 2011 Natural Resources Strategy for Nova Scotia.

Where do we want to be? Nova Scotia's parks provide excellent opportunities for nature-based recreational activities. They encourage an active lifestyle, promote appreciation of our natural environment, and support local economies through tourism. The goal is to achieve 45% peak period occupancy. Camping is a weather dependent activity that makes it impossible to target higher occupancy levels.

Measure: ***Percentage of endangered and threatened species with recovery plans in place***

What does the measure tell us? This is an indicator of the amount of work being done and the degree of planning underway to restore the health of endangered and threatened species. Recovery plans are the focal instrument for addressing the recovery needs for species at risk and guide governments, recovery teams and others in their conservation efforts, and are prepared as required by the *Endangered Species Act*. Recovery plans establish, for each endangered and threatened species, what needs to be done, how much it will cost, when it will be done and who will do the work. The plans also set goals for what is required to down-list a species at risk and establish a strategy for attaining these goals. To down-list a species means to move it to a lower risk category. New species are listed periodically under the *Endangered Species Act*. Recovery plans are required to be in place for each endangered species within one year after the species was listed, and within two years for those species listed as being threatened.

Where are we now? As of March 31, 2014, 38 species were listed as either endangered or threatened. Of these, 24 species were required to have a recovery plan in place by March 31, 2014 and 20 of them, or 83%, had their recovery plan in place as of that date. Sixteen new species were listed as endangered or threatened in July 2013. These species will require a new plan within the one or two year period (as applicable) of their listing. Recovery plan development is being led by Environment Canada for three of the species without completed plans in place. These species are the Red Knot, the Chimney Swift, and the Common Nighthawk.

Where do we want to be? Our annual target is to have required recovery plans in place for all (100%) species listed under the Act. Completion is, in part, dependent on the resources and timelines. Revisions to completed plans are also occurring periodically in order to incorporate new information and knowledge that becomes available.

OUTCOME Accessible Information

Measure: Quality of geological databases

What does the measure tell us? The measure, taken from the Fraser Institute's annual survey of mining companies, is an indication of: a) the quality and usefulness of geological maps, databases and reports in assisting industry to make exploration investment decisions leading to mineral prospects and discoveries in the province, and b) the ease of access to geological information (i.e., is geological information easily found, and freely accessible in traditional and modern, web-based platforms?). The quality of the 'geological database measure' is one component of a broader measure or indication of Nova Scotia's "attractiveness" to the mineral industry relative to other provincial/territorial and international jurisdictions.

Where are we now? The Fraser Institute's Annual Survey of Mining Companies for 2013 has ranked Nova Scotia at 88% for the province's quality of geological databases, including quality and scale of maps, and ease of access to information. At face value, a score of 88% is impressive, although the Fraser Institute also consistently scores Nova Scotia lower than most (or all) Canadian provinces and territories and comparable jurisdictions (e.g., Australia) in quality of geological databases and overall attractiveness to the mineral industry.

Where do we want to be? We can attempt to measure our attractiveness using the Fraser Institute's survey results, and also by measuring exploration trends in the province (e.g., number of exploration licenses issued, geological databases/maps/reports issued to industry, exploration spending, royalties collected) and compare those trends to the exploration activities in other Canadian provinces and territories. DNR anticipates changing the above current measure in its 2015-16 Statement of Mandate so that the measure we use will be more reflective of the province's exploration trends, is more reflective of the department's efforts to encourage such exploration and ultimately, mineral development.

OUTCOME Modern and Efficient Governance System

Measure: Percentage of department Acts reviewed

What does the measure tell us? This measure was new to DNR in its 2013-14 Statement of Mandate. In March 2013, DNR finalized an internal plan to support implementation of the Strategy through legislative renewal. The Natural Resources Strategy, released in August 2011, established four overarching goals for the department, one of which is good governance, to ensure laws and policies are clear and effective. The department's actions committed to reach the good governance goal include reviewing and improving laws and policies related to the development and conservation of Nova Scotia's natural resources.

Where are we now? Using the base year of 2012, Natural Resources identified 36 acts for review by the department. In 2013-14 four acts, or 11% of the 36, were reviewed and repealed. These acts are: Halifax Power and Pulp Company Limited Agreement Act, Scott Maritimes Pulp Limited Agreement Act, Stora Forest Industries Limited Agreement Act, and Oxford Lease Purchase Act (repeal of the latter is subject to proclamation). Also in 2013-14, four other major pieces of legislation were under a Department-wide, comprehensive multi-year review (Crown Lands, Mineral Resources, Provincial Parks, and Wildlife). Timelines for completion of these four reviews vary over the next few years. DNR continues to prioritize additional legislation for review taking into account departmental circumstances and availability of resources.

Where do we want to be? The department has set a target of 50% of the 36 Acts to be reviewed by 2020.

APPENDIX A

Annual Report under Section 18 of the *Public Interest Disclosure of Wrongdoing Act*

The *Public Interest Disclosure of Wrongdoing Act* was proclaimed into law on December 20, 2011.

The Act provides for government employees to be able to come forward if they reasonably believe that a wrongdoing has been committed or is about to be committed and they are acting in good faith.

The Act also protects employees who do disclose from reprisals, by enabling them to lay a complaint of reprisal with the Labor Board.

A Wrongdoing for the purposes of the Act is:

a) a contravention of provincial or federal laws or regulations
b) a misuse or gross mismanagement of public funds or assets
c) an act or omission that creates an imminent risk of a substantial and specific danger to the life, health or safety of persons or the environment, or
d) directing or counselling someone to commit a wrongdoing

The following is a summary of disclosures received by the Department of Natural Resources

Information Required under Section18 of the Act	Fiscal Year 2013-2014
The number of disclosures received	0
The number of findings of wrongdoing	0
Details of each wrongdoing	0
Recommendations and actions taken on each wrongdoing	0